ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY



WS-02672A Cloud Nine Water Company Inc. 96 Bel Aire Pl., Ste 140 Sierra Vista, AZ 85635

RECEIVED

APR 1 3 2007

AZ CORP COMM Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12 31 2006

FOR COMMISSION USE

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PROCESSED BY:

S-14-07

COMPANY INFORMATION

	, , , , , , , , , , , , , , , , , , , ,		
Company Name (Business Name)	CLOUD NINE WATER C	OMPANY, INC.	
Mailing Address 96 BEL AIRE	PLACE, STE 140		
Mailing Address 96 BEL AIRE (Street) SIEERA VISTA (City)	AZ	8	5635
(City)	(State)	(Zip)
520-458 1311	520-458 4532		
520-458 1311 Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No	o. (Include Area Code)
mail Address			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Local Office Mailing Address(S	as above treet)		····
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No	o. (Include Area Code)
Email Address			
Management Contact: Jean	Mitchell	Office Mo	(nack /
		7.	ino)
96 Bel Aire Place, Sec 140 (Street)	Sierra Vista	AZ (State)	85635 (Zin)
S20-458 (311	Cha- USR 4537	(State)	(Elp)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No.	(Include Area Code)
On Site Manager: Jean Mo	(Name)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No	(Include Area Code)
mail Address		Tagen cen iv.	amende / nea code)
Please mark this box if the above add	lress(es) have changed or are 1	pdated since the	last filing.

Statutory Agent: Eugene C.	Grescher				
3040 E. Sunrise Dr., Stc. 200	(City)	AZ	85713		
(Street)	(City)	(State)	(Zip)		
520 - 792 1131 Telephone No. (Include Area Code)	520 - 792 2859 Fax No. (Include Area Code				
Telephone No. (Include Area Code)	Fax No. (Include Area Code	Pager/Cell No. (In	clude Area Code)		
Attorney: Eucene C. Guesele					
Attorney: Eugene C. Griescher As above	(Name)		·		
Ac des					
(Street)	(City)	(State)	(Zip)		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (In	clude Area Code)		
Please mark this box if the above addr	ess(es) have changed or are up	idated since the last	t filing.		
OWNI	ERSHIP INFORMATION	[
Check the following box that applies to your	company:				
Sole Proprietor (S)	C Corporation (C)	Other than Associa	ation/Co-op)		
Partnership (P)	Subchapter S Corporation (Z)				
Bankruptcy (B)	Association/Co-op (A)				
Receivership (R)	Limited Liability C	ompany			
Other (Describe)					
<u>C</u>	OUNTIES SERVED				
Check the box below for the county/ies in w	hich you are certificated to prov	ide service:			
☐ APACHE	COCHISE				
GILA	GRAHAM	☐ GREENLEE			
☐ LA PAZ	MARICOPA	☐ MOHAVE			
	PIMA	☐ PINAL			
SANTA CRUZ] YAVAPAI	☐ YUMA			
☐ STATEWIDE					

UTILITY PLANT IN SERVICE

Acct.		Original	Accumulated	O.C.L.D.
No.	DESCRIPTION	Cost (OC)	Depreciation (AD)	(OC less AD)
301	Organization	50,000	18, 854	31,146
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	41,062	14,526	26,536
311	Pumping Equipment	78,350	37,223	41,627
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	58,755	44,191	14,564
331	Transmission and Distribution Mains	23,805	17,912	5,893
333	Services			
334	Meters and Meter Installations	315	294	21
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,485	1,114	371
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			-
	TOTALS	254,272	134,114	120,158

This amount goes on the Balance Sheet Acct. No. 108-

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	50,000	2.5%	1,250
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	41.062	5% = 2%	1,383
311	Pumping Equipment	78,850	5% 44%	3,625
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	53,755	5%	2,938
331	Transmission and Distribution Mains	23,305	5 %	1,191
333	Services			
334	Meters and Meter Installations	315	_	-
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,485	51/2	74
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	254,272		10,461

This amount goes on the Comparative Statement of Income and Expense ______Acct. No. 403.

BALANCE SHEET

Acct		BALANCE AT	BALANCE AT
.No.		BEGINNING OF	END OF
	ASSETS	YEAR	YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3,938	\$ 32
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS		
		\$ 3,938	\$ 32
	FIXED ASSETS		
101	Utility Plant in Service	\$ 231,930	\$ 254,272
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(123,653)	(134,114)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ (03,277	\$ 129158
	TOTAL ASSETS	\$ 112,215	\$ 120,190

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF	BALANCE AT END OF
	LIABILITIES	YEAR	YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	36,325	67,936
235	Customer Deposits	30,303	0 1,1 20
236	Accrued Taxes	97	86
237	Accrued Interest	•	,,,,,,
241	Miscellaneous Current and Accrued Liabilities	4149	
	TOTAL CURRENT LIABILITIES	\$ 40,571	\$ 63,022
	LONG TERM DEPT (Over 12 Months)	<u>'</u>	
224	LONG-TERM DEBT (Over 12 Months)	Φ.	Ф.
224	Long-Term Notes and Bonds	\$ -	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ -	\$ -
	TOTAL LIABILITIES	\$ 40,571	\$ 68.022
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 200.000	\$ 200,000
211	Paid in Capital in Excess of Par Value	3,503	3,503
215	Retained Earnings	(131,859)	(151, 33 5)
218	Proprietary Capital (Sole Props and Partnerships)		<u> </u>
12.2	TOTAL CAPITAL	\$ 71,644	\$ 52,168
	TOTAL LIABILITIES AND CAPITAL	\$ (12, 215	\$120,190.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
No.			
461	Metered Water Revenue	\$ 14.528	\$ 13,537
460	Unmetered Water Revenue		
474	Other Water Revenues	120	(1,75
	TOTAL REVENUES	\$ 14,648	\$ 14,712
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		Ψ
615	Purchased Power	18,341	- 18,125
618	Chemicals	19,5	15,123
620	Repairs and Maintenance	55.4	- 1,755
621	Office Supplies and Expense	333	49
630	Outside Services	1,515	2, 365
635	Water Testing	2,530	4.503
641	Rents	21.7.2	1, 3 - 5
650	Transportation Expenses		
657	Insurance – General Liability	2,578	2.061
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	45	691
403	Depreciation Expense	9376	10,461
408	Taxes Other Than Income		
408.11	Property Taxes	1,486	1,656
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 36,758	\$ 41666
	OPERATING INCOME/(LOSS)	\$ (22,110)	\$ (26,954)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	7	
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ _	\$
	NET INCOME/(LOSS)	\$ (22,110)	\$ (26,954)

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOA	AN #2 LO	AN #3 LO	OAN #4
Date Issued					
Source of Loan					
ACC Decision No.					
Reason for Loan					
Dollar Amount Issued	\$	\$	\$	\$	
Amount Outstanding	\$	\$	\$	\$	
Date of Maturity					
Interest Rate		%	%	%	%
Current Year Interest	\$	\$	\$	\$	
Current Year Principle	\$	\$	\$	\$	

Meter Deposit Balance at Test Year End	\$
Meter Deposits Refunded During the Test Year	\$

COMPANY NAME	CLOUD NINE WATER COMPANY, INC.
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
	700			4"		
	40			4"		

^{*} Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUR	MPS	FIRE HYDRANTS		
Horsepower	Quantity	Quantity Standard	Quantity Other	
5	ĺ			
15	1			

STORAGE TA	NKS	PRESSUI	RE TANKS
Capacity	Quantity	Capacity	Quantity
300,000	ı	5,000 ea	2

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	CLOUD	NINE	WATER	COMPANY,	1816		
Name of System			ADEQ	Public Water	System Number	(if applicable)	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ³ / ₄	44
3/4	
1	
1 1/2	2
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATM	MENT	EQU	IPN	IENT:

BUDSTER PUMPS	1x SHP, 1x 15HP	
STORAGE TANKS	- 1 × 300,000 GALS	
PRESSURE TANKS	- 2× 5,007 hALS RA.	
CODITOTIBLE.		
STRUCTURES:		
OTHER:		
		,

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	CLOUD NIME WATER COMPANY, INC.
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY			430,380	
FEBRUARY			699,700	
MARCH			896.300	
APRIL			1,155,700	
MAY			(,187,100	
JUNE			1,128,700	
JULY			1097,200	
AUGUST			1028,100	
SEPTEMBER			759,300	
OCTOBER			811,400	
NOVEMBER			524,900	
DECEMBER			427,200	
	$TOTALS \longrightarrow$		10,345,930	!

	f arsenic for each well on your system? <a< th=""></a<>
If system has fire l	nydrants, what is the fire flow requirement? NA GPM forhrs
If system has chlor	rination treatment, does this treatment system chlorinate continuously?
(X) Yes	() No
	y located in an ADWR Active Management Area (AMA)? () No
Does the Company	have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes	~ · · · · · · · · · · · · · · · · · · ·
If yes, provide the	GPCPD amount:
Note: If you are filing	for more than one system, please provide separate data sheets for each system.

COMPANY NAME	CLOUD NINE L	later Company, inc.	YEAR ENDING 12/31/2006
	j	PROPERTY TAXES	
	-		
Amount of octual arono	ety towas poid during	g Calendar Year 2006 was: \$	1144
Amount of actual prope	ity taxes paid during	g Calellual Teal 2000 was. I	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Attach to this annual reproperty tax payments)	port proof (e.g. prop of any and all prope	erty tax bills stamped "paid i erty taxes paid during the cale	n full" or copies of cancelled checks for endar year.
If no property taxes paid	d, explain why.	MA	
The brokens in the	, <u>1</u>		
			·

COCHISE COUNTY TREASURER Receipt of Taxes Paid

Tax Year	Parcel	Portion	Roll #	Tax Paid	Interest Paid	Penalty Paid	Paid
2006	10750292007	1	00-31672	238.19			238.19
2006	10750293000	1	00-31673	65.11			65.11
2006	94456830028	1	01-17589	113.94			113.94

Payment type: Check# 1805 Payment Received: \$ 778.64

Base tax due: .00

361.40

Notes:

2006 94456870006 1 01-17590 361.40

Received from:

CLOUD 9 WATER CO INC 96 BEL AIRE PLACE, SUITE 140 SIERRA VISTA AZ 85635 CLOUD 9 WATER COMPANY, INC.

96 BEL AIRE PL STE 140
SIERRA VISTA, AZ 85635

DATE 10/21/06

PAY
TO THE OF Marsha Bordan, Cocher County Treasurer

ORDER OF Marsha Bordan, Cocher County Treasurer

Swen hundred swenty eight dellars & 64/100

Bank of America
ACH R/T 122101706

FOR

1805

ACH R/T 122101706

FOR

1805

SI-170/1221 AZ
8524

PAY
TO THE OF Marsha Bordan, Cocher County Treasurer

ACH R/T 122101706

FOR

1805

ACH R/T 122101706

PAY
TO THE OF Marsha Bordan, Cocher County Treasurer

ACH R/T 122101706

FOR

1805

2006 PROPERTY	TAX NOTIC					ARIZONA
PARCEL#	AREA CODE	PRIMARY TAX \$100 ASSESS	RATE PER SECOND ED VALUE \$100 A	ARY TAX RATE PER IRR ASSESSED VALUE	IGATION DISTRICT S PER ACRE	ACINE SEE
107-50-292 7	6830	6.86	TOTAL PROPERTY AND PROPERTY AND PERSONS	2.4362	PRIMARY PROPERTY TAX	344.82
Mesesine e	VALUE IN DOLLARS	ASSMT %	ASSESSED VALUE	EXEMPTIONS TAX RATE	NET ASSESSED LESS STATE AID TO EDUCATION	0.00
PRIMARY LAND, BLDGS, ETC PRIMARY PERSONAL PROPERTY	31,394 0	16.0 0. 0	5,023 0	0 6.8648 0 0.0000	0.00 NET PRIMARY PROPERTY TAX	344.82
PRIMARY TOTALS SECONDARY LAND	31,394 33,750	46.0	5,023	0	344.82 SECONDARY PROPERTY TAX	131.58
SECONDARY BLDGS, ETC	33,750	15.0 0.0	5,400 0	0 2.4362 0 0.0000	0.00 SPECIAL DISTRICT TAX	0.00
SEC. PERSONAL PROPERTY SECONDARY TOTALS	0 33,750	0.0	5,400	0 0.0000	0.00 131.56 TOTAL TAX DUE FOR 2006	476.38
0031672	ACREAGE:	3.02	JURIS	DICTION	2096 TAXES	2005 TAXES
ITUS ADDRESS: EGAL DESCRIPTION: 35MIN E270.1' N25DEG 2 N NE4 BY W8B BEG 1021. OM NE COR OF NE4 THN N 52DEG 47MIN W292.16' S DEG 00MIN W25' M/L S10 43DEG 49MIN W455.23' N hls is the only notice yo	87'S & SSÖDEG 36DEG 21MIN W1 10DEG 45MIN W1 DEG 45MIN W24C 65DEG 36MIN EZ	N16DEG 44M3 34MIN W95' 157.45' 130' TH N4)' M/L	04155 CTY 05068 SV 06104 SIE 08150 JUN 11900 FIR 14900 LIB 6 15000 FLO	HISE COUNTY SIERRA VISTA SD #68 RRA VISTA UHS IOR COLLEGE E DIST ASST RARY DIST OD CONTROL EQUALIZATION	146.47 7.21 142.90 62.69 89.75 4.96 8.38 14.02 0.00	134.12 6.55 157.19 94.25 81.59 4.84 8.38 14.02

Marsha Bonham Cochise County Treasurer. PO Box 1778 Bisbee AZ 85603-2778

> THIS IS A **CALENDAR YEAR TAX NOTICE**

TOTALS

476.38

520.84

107-50-292 7 0032389 01 AV 0.293 **AUTO TO 0 0786 85635-274240

11...1...1....11....1...1...1...1...1...1...1...1...1...1...1...1...1 MOONGLOW REAL ESTATE LLC 96 BEL AIRE PL STE 140 **SIERRA VISTA AZ 85635-2742**

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR PARCEL NUMBER ON YOUR CHECK.

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2007. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2006. Delinquent interest will be waived.

Make your check payable to and mall to:

Marsha Bonham **Cochise County Treasurer** PO Box 1778 Bisbee AZ 85603-2778

AUUD PRUIZERIY	IAX WUILL AREA	PRIMARY TAX NA	TE PER SEC	CONDARY TAX RATE PER IRRIGAT	ON DISTRICT	ARIZONA
107-50-293 0	6830	\$100 ASSESSED _ 6.864	VALUE S		PRIMARY PROPERTY TAX	
	to be the last the street of the street	Hartistar in consideration is	discolor discolor discolor	zon elektroka eta eta eta eta eta eta eta eta eta et	A Secretary of the secr	gift a transport over the analysis of the second continues and the
PRIMARY LAND, BLDGS, ETC	VALUE IN DOLLARS 8, 750	16.0	ASSESSED VALUE	EXEMPTIONS TAX RATE NO 6815418	T ASSESSED LESS STATE AID TO EDUCA	
PRIMARY PERSONAL PROPERTY	0 8,750	0.0	1 400	0 0.0000	O. OO NET PRIMARY PROPERTY	A CONTRACTOR OF THE PROPERTY O
PRIMARY TOTALS SECONDARY LAND	8,750	16.0	1,400	0 2.4362	96.10 SECONDARY PROPERTY T	X 34.1
SECONDARY BLDGS, ETC	o	0.0	0	0 0.0000	O.OO SPECIAL DISTRICT TAX	0.0
SEC. PERSONAL PROPERTY SECONDARY TOTALS	8,750	0.0	1,400	0 0.0000 0	0.00 34.12 TOTAL TAX DUE FOR 2	006 130.2
	ACREAGE!	.51		IURISDICTION	2006	2005
0031673					Z006 TAXES	ZOUS TAXES
ITUS ADDRESS:				COCHISE COUNTY	40.82	41.12
				CTY SIERRA VISTA SV SD #68	2.01 38.66	2.0
EGAL DESCRIPTION: 7/98 LV SITE VALUE		V		SIERRA VISTA UHS	16.61	45.28 26.63
N NE4 BY M&B BEG AT NE	COR OF LOT 3	OB IN CLOUD 9		JUNIOR COLLEGE	25.02	25.02
RANCH ESTATES THE N41DI IN CURVE TO RT SWLY ON A				TIRE DIST ASST	1.29	1.25
OF 354.06: NOIDEG 05MI	N E117.83' E3	22.23' TO	14900 L	IBRARY DIST	2.17	2.17
OB SEC 5 22 21 .507AC				FLOOD CONTROL SCH EQUALIZATION	3.64 0.00	3.64 6.10
his is the only notice you	u will receive		02001 Q	OH FROMETENITON	0.00	0.10
me ie aic omà unica ànt	4 mili 1000196.		ing the state of t			-
Marsha Bonham		A Section of the Control of the Cont	t na grand talagada	A STATE OF THE STA	oles, tama lahalipu didi akuminyah dayaringa katumin in ana anda	ب منعق برسته مهم مهم بالما الها الها الها الها الها الها الها
Cochise County Treas	Urer			-		
PO Box 1778					•	
Bisbee AZ 85603-2778	}					
THI	SISA					
CALENI	DAR YEAR					

107-50-293 0 0032390 01 AV 0.293 **AUTO TO 0 0786 85635-274240

TAX NOTICE

Hadadalahadhadaladalladalaladalahalkadall

MOONGLOW REAL ESTATE LLC 96 BEL AIRE PL STE 140 SIERRA VISTA AZ 85635-2742

ORRED DE LE PROPERTY TAY MATICI

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR PARCEL NUMBER ON YOUR CHECK.

130.22

153.22

PAYMENT INSTRUCTIONS

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Make your check payable to and mail to:

Marsha Bonham **Cochise County Treasurer** PO Box 1778 Bisbee AZ 85603-2778

TOTALS

2006 PROPERTY	TAX NOTIC	E				ARIZONA
PARCEL#	AREA CODE	PRIMARY TAX I \$100 ASSESSE			ATION DISTRICT Per acre	inet
944-56-870 6	6870	- 6.72	13 5	.2872	PRIMARY PROPERTY TAX	411.6
eassasanele esses	VALUE IN DOLLARS	ASSMT %	ASSESSED VALUE	EXEMPTIONS TAX RATE	NET ASSESSED LESS STATE AID TO EDUCATION	0.0
PRIMARY LAND, BLDGS, ETC PRIMARY PERSONAL PROPERTY	5,000	24.5	1,225	0 5.7213 0 0.0000	82.34 0.00 NET PRIMARY PROPERTY TAX	411.6
PRIMARY TOTALS	5,000		1,225	0	82.34 SECONDARY PROPERTY TAX	311.1:
SECONDARY LAND SECONDARY BLDGS, ETC	5,000 20,000	24.5 24.5	1,225 4,900	0 5.2872 0 5.0275	64.78 246.34 SPECIAL DISTRICT TAX	0.0
SEC. PERSONAL PROPERTY SECONDARY TOTALS	25,000	0.0	0 6,125	0 0.0000	0.00 TOTAL TAX DUE FOR 2006	722.8
	ACREAGE:	.07	and the second control of the second con-	DICTION	2096	2005
0117590					TAXES	TAXES
ITUS ADDRESS:	and the second	100		HISE COUNTY	178.61	176.24
IULL	100			SD #68	169.12	194.04
EGAL DESCRIPTION:				RRA VISTA UHS	72.70	114.15
			865	IOR COLLEGE	109.44	107.21
TOTAL VALUE OF OPERATING	3 PROPERTY 🗸	<i>f</i>	11202 FRY		174.62	171.05
107-50-294 5,000			0555	E DIST ASST	5.63	5.38
		4.7		RARY DIST	9.50	9.31
			15000 FL00	DD CONTROL	3.18	3.25
			02001 SCH	EQUALIZATION	0.00	26.15
This is the only notice you	u will receive.	10 Page 1				
Marsha Bonham				رواه <u>والمنظم و المنظم المنظم</u> المنظمة والمنظم المنظم المنظمة	- Paris de Maria de Romando de Maria de Como de Maria de Como de La como de Como	فتصوب مستور وسائق فتحجران

Cochise County Treasurer PO Box 1778 Bisbee AZ 85603-2778

944-56-870 6

THIS IS A **CALENDAR YEAR TAX NOTICE**

TOTALS

722.80

806.78

0028292 01 AV 0.293 **AUTO T5 0 0786 85635-274240

Madadallandiadallandidadaldallandi

CLOUD 9 WATER CO INC JEAN MITCHELL/MANAGER 96 BEL AIRE PLACE, SUITE 140 **SIERRA VISTA AZ 85635-2742**

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR PARCEL NUMBER

OM YOUR CHECK,

PAYMENT INSTRUCTIONS

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Make your check payable to and mail to:

Marsha Bonham **Cochise County Treasurer** PO Box 1778 Bisbee AZ 85603-2778

006 PROPERTY T	AX NOTIC	Ē					ARIZONA
PARCEL#	AREA CODE	PRIMARY TAX FAT \$100 ASSESSED V		DARY TAX RATE PER ASSESSED VALUE	IRRIGATION DISTRICT S PER ACRE	NOTE TO VESTILIANTE	HY:
944-56-830B 8	6830	6.8648	3	2.4362		PRIMARY PROPERTY TAX	168.2
	ALUE IN DOLLARS	A Mark Control of the	ASSESSED VALUE	EXEMPTIONS TAX F	ATE NET ASSESSED	LESS STATE AID TO EDUCATION	0.0
RIMARY LAND, BLDGS, ETC RIMARY PERSONAL PROPERTY	10,000	24.5 0.0	2,450	0 6.864 0 0.000			168.2
RIMARY TOTALS	10,000		2,450	0	168.20		59.6
CONDARY LAND CONDARY BLDGS, ETC	10,000	24.5 0.0	2,450 0	0 2.436 0 2.176		SPECIAL DISTRICT TAX	0.
C. PERSONAL PROPERTY CONDARY TOTALS	10,000	0.0	0 2,450	0 0.000	0.00 59.68	TOTAL TAX DUE FOR 2006	227.
	ACREAGE:	20	SCHOOL SECTION AND ADDRESS OF THE PARTY OF T	SDICTION		2006	2005
17589		1	00000 000	CHISE COUNTY		TAXES 71.45	TAXES
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AL DESCRIPTION:			05068 SV	SD #68		67.65	80.8
	V	The state of the s		ERRA VISTA UH: NIOR COLLEGE	3	29.07 43.78	47.5 44.6
AL VALUE OF OPERATING 7-50-287-B 5,000 107-				RE DIST ASST		2.25	2.2
-D 5,000	**************************************		14900 LI	BRARY DIST		3.80	3.8
				OOD CONTROL EQUALIZATIO		6.36 0.00	6.4 10.9
s is the only notice you	will receive.		uzuu acı	i EQUALIZATIO	•	0.00	10.5
Marsha Bonham						The second secon	مستورية والمستورة والمستور
Cochise County Treasu	irer						
PO Box 1778 Bisbee AZ 85603-2778	1942 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945 - 1945						
THI	SISA						
CALENI	DAR YEAR						
	NOTICE				TOTALS	227.88	273.6

944-56-830B 8 0028291 01 AV 0.293 **AUTO

CLOUD 9 WATER CO INC JEAN MITCHELL/MANAGER 96 BEL AIRE PLACE, SUITE 140 SIERRA VISTA AZ 85635-2742

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR

PARCEL NUMBER ON YOUR CHECK.

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Make your check payable to and mail in:

Marsha Bonham **Cochise County Treasurer** PO Box 1778 Bisbee AZ 85603-2778

05-107-50-293-0 edc.

CLOUD 9 WATER COMPANY, INC.

90 RAINBOW WAY 458-5855
SIERRA VISTA, AZ 85635

2/27 2006

91-170/1221

Opay to the Columber County Treasurer I\$ 877.23

Eight hundred Deurty Treasurer I\$ 877.23

Eight hundred Deurty auen + 23/100 Dollars Experiment

Bill Bank of America
Sterry Visio Branch 08524
Sterry Visio B

US DATE \$1/61/66 PERIOR CHASE BANKS. HAS \$2,000 CC \$5,49 No. PO 1 1 1 1 9 0 1 3 3 1 4 21337294 122100024 PAY TO THE OPDER OF 019 BANK ONE 01

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FOR DEPOSIT OF MARSHA BONHAM TREAST
TAX COLLECTOR - COCHISC UNI

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8775-E0838 XA ,88d218 PO Box 1778 Cochise County Treasurer marinos aristalii]nefalglanffaerlefeaffeerffaerftefteretternafferfterfælarterit

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TO PAY 2ND HALF

Cochise County Treasurer Marsha Bonham wiske check payable to:

Payment in U.S. HUNDS ONLY

42 T 2005 (PHS 42-18052 and PHS 42r payments postmarked after 5:00 P.M. Orated monthly as of the 1 st day of the month enalty for late payment is 16% per year elinquency Date Second Half Payment

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OMOLOW REAL BSTATE LLC

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SOOS SECOND HALF PAYMENT COUPON

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	su -		33,750	16.0	5,400	0	5,400		136.68
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P	O Box 17	ounty Treas 78 : 85603-277 THIS			C-9	Weder Co	a Gorde	الميراني ال	
		В			TOTALS	F	520.84	537.66	-16.82

0038823 01 AV 0.278 **AUTO T5 0 0784 85635-372511 MOONGLOW REAL ESTATE LLC 111 MOON GLOW SIERRA VISTA AZ 85635-3725

PLEASE INCLUDE YOUR

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PARCEL NUMBER OH YOUR OHECK.

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Mains your check payable to and mail to:

Marsha Bonham **Cochise County Treasurer** PO Box 1778 Bisbee, AZ 85603-2778

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TO PAY 2ND HALF

Cochise County Treasurer Marsha Bonham музке среск раугою того. Таупенсти осо томогом

37 J. 2006 (ARS 42-18052 and ARS 42bayments postmarked after 5:00 P.M. chrom art to yet as I art to as yet the month naity for late payment is 16% per year Anamyes fish baccas atst yonaupnik

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		you will recei	e.		lood Control		3.64	3.64	0.00
(O Box 17	ounty Treasu 78 85603-2778				-9	Water Co	Poddee or	
		THIS Calenda Bil	R YEAR		TOTALS		153.22	169.74	-16.52

0038824 01 AV 0.278 **AUTO T5 0 0784 85635-372511 Harlandalan Harattalan Halandalan Halan Harattalan H MOONGLOW REAL ESTATE LLC 111 MOON GLOW **SIERRA VISTA AZ 85635-3725**

PLEASE INCLUDE YOUR

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

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Marsha Bonham **Cochise County Treasurer** PO Box 1778 Bisbee, AZ 95603-2778

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TO PAY 2ND HALF

Make check of 22 5 in: Marsha Bonham Cochise County Treasurer

Payment in U.S. FUNDS ONLY

DETACH AND RETURN WITH PAYMENT

ensity for late payment is 16% per year rorsted monthly as of the 1st day of the month or payments postmarked after 5:00 P.M. is 1, 2006 (ARS 42-18052 and ARS 42-18053).

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3005 SECOND HATE PAYMENT COUPON

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101111			10,000	25.0 0.0	2,500	0 2,500	TOTAL TOTAL ENGINEERING AND IN	273.62	
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11502	27					TAMES	TARE		
					Cochise County Sch Equalization	73.43 10.90	73.43 11.40	0.00 -0.50	
					Cty Sierra Vista	3.59	3.75	-0.16	
		OPERATING P 5,000 107-50	AND THE STATE OF THE STATE OF		SV SD #68	80.86	100.52	-19.66	
309-D	1996年的中华。20				Sierra Vista UHS Junior College	47.56 44.67	56.46 44.67	-8.90 0.00	
					Fire Dist Asst	2.24	2.50	-0.26	
	0.000 (1) 40.47 (1)				Library Dist Flood Control	3.88 6.49	3.88 6.49	0.00 0.00	
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		ounty Treasu	er						
	PO Box 17	778 7.85 6 03-2778							
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		THIS I	SA		e.				
		CALENDA	R YEAR					in the state of th	
		BIL			TOTALS	273.62	303.10	-29.48	

PLEASE INCLUDE YOUR PARCEL NUMBER

ON YOUR CHECK.

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Marsha Bonham Cochise County Treasurer PO Box 1778 Bisbee, AZ 85603-2778

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TO PAY 2ND HALF

Mâlke check psyábla fo: Marsha Bonham Cochise County Treasurer

Payment in U.S. FUNDS ONLY

THE HALD HETURN WITH PAYMENT

elinquency Date Second Half Payment enalty for late payment is 16% per year norsted monthly as of the 1st day of the month ir payments postmarked after 5:00 P.M. is 7: 2006 (ARS 42-18052 and ARS 42-18053).

M 56 870 6 THE CO INC.

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2005 SECOND HALF PAYMENT COUPON

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2005 PROPERTY TAX NOTIGE COUNTRY PARCEL # AREA PRIMARY TAX RATE PER SECONDARY TAX HATE PER IBRIGATION DE SOULASSESSED VALUE \$100 ASSESSED VALUE \$	
944 56 870 6 6870 8.2698 5.3816	
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1,250	,250 NEP PRIMARY PROPERTY TAX 496.20
PERSONAL PROPERTY. 0 0.0 0	
	250
BIORS FIG. 19,000 25.0 4,750 0 4	750 TOTAL TAX DEE FOR 2565 806.78
Cochise County 176.2 Sch Equalization 26.1 SV SD #68 194.0 107-80-294 5,000 Junior College 107.2 Fry FD 171.0 Fire Dist Asst 5.3 Library Dist 9.3 Flood Control 3.2	5 28.50 -2.35 4 251.30 -57.26 5 141.18 -27.03 1 111.68 -4.47 5 178.72 -7.67 8 6.25 -0.87 1 9.70 -0.39
Marsha Bonham Cochise County Treasurer PO Box 1778 Bisbee, AZ 85603-2778 THIS IS A CALENDAR YEAR BILL TOTALS 806.7	
PILL STATE	B 914.18 -107.40

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

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Marsha Bonham_

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Marsha Bonham Cochise County Treasurer PO Box 1778 Bisbee, AZ 85603-2778

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marked no later than May 1, 2006. To pay taxes for the full

year, send the 1st half coupon with your payment postmarked no

later than Dec. 31, 2005. Delinquent interest will be waived.

VERIFICATION AND SWORN STATEMENT Taxes

RECEIVED

APR 1 3 2007

AZ CORP COMM Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY N	(AME)		
	COCHISE		
	NER OR OFFICIAL) TITLE S J. NOVASIC.	PRESIDENT	
COMPANY	NAME		
CLOVD MIR	E WATER COMPAN	M, INC	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

	Tuch J. Morasce X P. SIGNATURE OF OWNER OR OFFICIAL
	520-458 1311
SUBSCRIBED AND SWORN TO BEFORE ME	TELEPHONE NUMBER
A NOTARY PUBLIC IN AND FOR THE COUNTY	OF COUNTY NAME COCHISC
THIS DEFICIAL DEAY OF LOIS JEAN MITCHELL NOTARY PUBLIC - STATE OF ARIZONA	MONTH APRIL ,2007
COCHISE COUNTY (SMx Comm. Expires November 30, 2009	Lois Jean mitchell
MY COMMISSION EXPIRES Nov. 30, 2009	SIGNATURE OF NOTARY PUBLIC

14

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported LOSS (19,475)
Estimated or Actual Federal Tax Liability

State Taxable Income Reported (19,475)
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

NA

*

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Mul. Morasce × 100 4/9/07 × DATE

MICHOLAS J. NOVASIC PRESIDEM

PRINTED NAME

TITLE

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

APR 1 3 2007

AZ CORP COMM Director Utilities

VERIFICATION		
	COUNTY OF (COUNTY NAME)	
STATE OF ARIZONA	COCHISE	
	NAME (OWNER OR OFFICIAL) TITLE	
I, THE UNDERSIGNED	MCHOLAS J. NOVASIC	
	COMPANY NAME	
OF THE	CLOUD NIFE LINTER COMPORM INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR
12 31 2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE</u> <u>UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 1,727 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1 2 DEFICIAL SEAL DAY OF
LOIS JEAN MITCHELL
NOTARY PUBLIC - STATE OF ARIZONA
COCHISE COUNTY
My Comm. Expires November 30, 2009

SIGNAYURE OF OWNER OR OFFICIAL

520-458 1311

TELEPHONE NUMBER

Cochise

MONTH April ,2007

Low Jean Mitchell
STENATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES YOU 30, 2009

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE

Intrastate Revenues Only

RECEIVED

APR 1 3 2007

AZ CORP COMM Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COCHISE	
NAME (OWNER OR OFFICIAL) NICHOLAS J. NOVASIC	TITLE PRESIDENT
COMPANY NAME CLOUD NINE WATER GM	PANY, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING MONTH DAY YEAR 2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE UTILITY OPERATIONS</u> RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES	THE AMOUNT IN BOX AT LEFT INCLUDES \$ 1787
\$ 16,499.	IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

SGNATURE OF OWNER OR OFFICIAL

SW-458 1311

THE PHONE NUMBER

NOTARY PUBLIC NAME

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

Pil

DAY OF

Cochise

MONTH APRIL ,2007

Lois Jean Mitchell

(SEAL)

OFFICIAL SEAL
LOIS JEAN MITCHELL
NOTARY PUBLIC - STATE OF ARIZONA
COCHISE COUNTY
My Comm. Expires November 30, 2009

MY COMMISSION EXPIRES

nov 30, 2009